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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Grandy Corporation, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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GRANDY CORPORATION
泓迪有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8143)

DISCLOSEABLE AND CONNECTED TRANSACTION

**ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF
YOUNGDONG ENVIRONMENTAL ENGINEERING CO., LTD. ***

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the date of its posting and on the website of the Company at www.grandy.com.hk.

14 April 2004

* For identification purpose only

CHARACTERISTICS OF GEM

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. GEM-listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context requires otherwise:

| | |
|---------------------------|--|
| “Acquisition” | the acquisition by Rightime of the Sale Shares subject to and upon the terms and conditions of the Sale and Purchase Agreement |
| “associates” | has the meaning ascribed to this term under the GEM Listing Rules |
| “business day” | a day (other than Saturday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours |
| “Company” | Grandy Corporation, a company incorporated in the Cayman Islands with limited liability on 28 May 2001 and the issued Shares of which are listed on GEM |
| “Completion” | completion of the Acquisition pursuant to the Sale and Purchase Agreement |
| “connected person” | has the meaning ascribed to this term under Chapters 1 and 20 of the GEM Listing Rules |
| “Consideration” | the consideration in the sum of KRW 580 million (equivalent to approximately HK\$ 4 million) payable by Rightime to Key Engineering for the sale and purchase of the Sale Shares |
| “Directors” | directors (including the independent non-executive directors) of the Company |
| “Group” | the Company and its subsidiaries |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Key Engineering” | Key Engineering Co., Ltd, a substantial Shareholder and the vendor under the Sale and Purchase Agreement |
| “Latest Practicable Date” | 8 April 2004, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular. |

DEFINITIONS

| | |
|-------------------------------|---|
| “Main Board” | the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM which, for the avoidance of doubt, excludes GEM |
| “Net Tangible Assets” | the unaudited consolidated net tangible assets of the Group as at 30 September 2003, adjusted to take into account the placing of new Shares to Key Engineering which was completed on 10 November 2003 and the unaudited consolidated quarterly results of the Group for the three months ended 31 December 2003 |
| “Righttime” | Righttime Development Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company, the purchaser under the Sale and Purchase Agreement |
| “Sale and Purchase Agreement” | the sale and purchase agreement dated 24 March 2004 and entered into between Righttime and Key Engineering in respect of the Acquisition |
| “Sale Shares” | 40,000 common voting shares of par value of KRW 5,000 each of Youngdong, representing the entire issued share capital of Youngdong |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$ 0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Youngdong” | Youngdong Environmental Engineering Co., Ltd.* (영동환경엔지니어링(주)), a company incorporated in the Republic of Korea |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “KRW” | Korean Won, the lawful currency of the Republic of Korea |
| “%” | per cent. |

For the purpose of this circular, unless otherwise specified, conversion of Korean Won into Hong Kong dollars is based on the approximate exchange rate of KRW 145.00 to HK\$ 1.00.



GRANDY CORPORATION

泓迪有限公司*

(incorporated in the Cayman Islands with limited liability)

Executive Directors:

Tsui Tai Hoi Raymond (*Managing Director*)
Yeung Kam Yan
Chan Hon Chiu

Non-executive Directors:

Martin Andrew Mohabeer
Ko Ji Hwan
Oh Suk In

Independent non-executive Directors:

Hsu Shiu Foo William
Yu Chai Mei

Registered office:

Century Yard
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P. O. Box 2681 GT
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Cayman Islands
British West Indies

Head office and principal

place of business in Hong Kong:
10th Floor, Luk Kwok Centre
72 Gloucester Road
Wanchai, Hong Kong

14 April 2004

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION

**ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF
YOUNGDONG ENVIRONMENTAL ENGINEERING CO., LTD. ***

A. INTRODUCTION

On 24 March 2004, the Directors announced that on the same date, Righttime entered into the Sale and Purchase Agreement with Key Engineering in relation to the acquisition of the entire issued share capital of Youngdong from Key Engineering for an aggregate cash consideration of KRW 580 million (equivalent to approximately HK\$ 4 million).

* for identification purpose only

LETTER FROM THE BOARD

Youngdong is a company incorporated in the Republic of Korea and is principally engaged in environmental and environmental-related businesses, including but not limited to installation, engineering and management of wastewater treatment systems and environmental facilities and the provision of environmental analysis and measurement services, in the Republic of Korea.

Key Engineering is a connected person of the Company as it together with its associates presently own approximately 29.95% of the issued share capital of the Company. The Consideration represents more than 15% but less than 50% of the Net Tangible Assets. Accordingly, the Acquisition constitutes a discloseable and connected transaction of the Company under the GEM Listing Rules in force immediately prior to 31 March 2004.

Given that the Consideration is less than the higher of HK\$ 10 million or 3% of the Net Tangible Assets, the Acquisition is exempt from shareholders' approval requirements under Rule 20.24 of the GEM Listing Rules in force immediately prior to 31 March 2004.

The purpose of this circular is to provide the Shareholders with information in relation to the Acquisition.

B. THE SALE AND PURCHASE AGREEMENT

Date: 24 March 2004

Parties: (1) Vendor : Key Engineering
(2) Purchaser : Rightime

Key Engineering is an environmental solutions company incorporated in the Republic of Korea and the issued shares of which are listed and traded on the KOSDAQ in the Republic of Korea. As Key Engineering together with its associates presently own approximately 29.95% of the issued share capital of the Company, Key Engineering is a connected person of the Company.

Asset to be acquired

Pursuant to the Sale and Purchase Agreement, Rightime has conditionally agreed to acquire the Sale Shares, representing the entire issued share capital of Youngdong, from Key Engineering.

Consideration

The consideration of KRW 580 million (equivalent to approximately HK\$ 4 million) will be payable by Rightime in cash upon Completion. The Consideration represents a premium of approximately 51.04% over the audited net tangible asset value of Youngdong as at 31 December 2003.

The Consideration was determined after arms' length negotiation between the parties to the Sale and Purchase Agreement with reference to the business prospects and historical performance of Youngdong. The Directors (including the independent non-executive Directors) consider that the terms of the Acquisition are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The original purchase cost of the entire issued share capital of Youngdong, being the subject matter of the Acquisition, was KRW 550 million (equivalent to approximately HK\$ 3.79 million).

The Directors intends to finance the Consideration by the internal resources of the Group and/or by bank borrowings and/or by the proceeds from the possible fund raising exercise of the Group. However, no exact split has been determined by the Directors as at the Latest Practicable Date. The Company may carry out fund raising exercise to raise funds for financing the Consideration. However, the Directors confirm that no concrete or definite plan for such arrangement has been arrived at as at the Latest Practicable Date. Further announcement will be made as and when appropriate in accordance with the GEM Listing Rules.

By taking into account the internal resources of the Group and the bank borrowings available to the Group, the Directors confirm that the Group will have sufficient financial resources to satisfy the Consideration and the Acquisition will not have any material adverse effect on the working capital position of the Group.

C. CONDITIONS OF THE ACQUISITION

Completion is conditional upon, inter alia, the following conditions having been fulfilled:

- (i) Righttime having been satisfied with the results of the due diligence exercise (which shall include but not limited to the legal and financial aspects of Youngdong) carried out by it on Youngdong;
- (ii) all necessary consents, authorisations, licences and approvals for the Acquisition having been obtained;
- (iii) the representations and warranties given by the parties to the Sale and Purchase Agreement remaining true and accurate in all respects; and
- (iv) there being no matters adversely affecting the legal standing or continued existence of Youngdong or the ability of Youngdong to continue to carry on its ordinary business.

If the conditions have not been fulfilled on or before 30 April 2004 or such later date as Righttime may agree, the Sale and Purchase Agreement will cease to have any effect and no party will have any liability under the Sale and Purchase Agreement save for antecedent breaches of the provisions of the Sale and Purchase Agreement. As at the Latest Practicable Date, condition (ii) has been fulfilled.

D. COMPLETION

Subject to the conditions of the Acquisition having been fulfilled, Completion will take place on the next business day following the date on which all the conditions of the Acquisition have been fulfilled.

Upon Completion, Youngdong will become a wholly owned subsidiary of the Company.

LETTER FROM THE BOARD

E. INFORMATION ON YOUNGDONG

Youngdong is a company incorporated in the Republic of Korea and is principally engaged in environmental and environmental-related businesses, including but not limited to installation, engineering and management of wastewater treatment systems and environmental facilities and the provision of environmental analysis and measurement services, in the Republic of Korea. Its clients include municipal governments and industrial plant operators.

Based on the audited accounts of Youngdong for the year ended 31 December 2003, the audited net tangible asset value of Youngdong as at 31 December 2003 was approximately KRW 384 million (equivalent to approximately HK\$ 2.65 million). For the year ended 31 December 2003, the audited net profit before and after tax of Youngdong were approximately KRW 143 million (equivalent to approximately HK\$ 0.99 million) and approximately KRW 112 million (equivalent to approximately HK\$ 0.77 million) respectively. Based on the unaudited management accounts of Youngdong for the year ended 31 December 2002, the unaudited profit before and after tax of Youngdong were approximately KRW 76 million (equivalent to approximately HK\$ 0.52 million) and approximately KRW 59 million (equivalent to approximately HK\$ 0.41 million) respectively. There were no minority interests in Youngdong for the two years ended 31 December 2003.

F. REASONS FOR THE ACQUISITION

The Company is an investment holding company incorporated in the Cayman Islands and its subsidiaries are principally engaged in the production, sourcing, sale and marketing of environmental products and the provision of ancillary services for combating environmental problems.

The Directors consider that the Acquisition offers the Group a good business opportunity to create synergy for its existing operations and to further develop its one-stop-shop environmental protection services especially in the field of combating water pollution and energy wastage problems. In addition, the Directors believe that the Acquisition offers the Group an opening to undergo an expansion in the Republic of Korea so as to broaden its customer base and to minimise the economic risks that may be caused by the concentration of operation in a particular country. The Directors believe that the Group can gain access to the well-established know-how in the area of wastewater treatment and environmental measurement services established by Youngdong so as to further strengthen its existing business.

The Directors also consider that the Acquisition would have positive impact on the earning base of the Group in the long run and will be beneficial to the Group as well as the Shareholders as a whole.

G. GENERAL

Key Engineering is a connected person of the Company as it together with its associates presently own approximately 29.95% of the issued share capital of the Company. The Consideration represents more than 15% but less than 50% of the Net Tangible Assets. Accordingly, the Acquisition constitutes a discloseable and connected transaction of the Company under the GEM Listing Rules in force immediately prior to 31 March 2004.

LETTER FROM THE BOARD

Given that the Consideration is less than higher of HK\$ 10 million or 3% of the Net Tangible Assets, the Acquisition is exempt from shareholders' approval requirements under Rule 20.24 of the GEM Listing Rules in force immediately prior to 31 March 2004.

H. FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the appendix to this circular.

Yours faithfully
On behalf of the Board
Grandy Corporation
Tsui Tai Hoi Raymond
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- (a) the information contained in this circular is accurate and complete in all material respects and is not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

2. DISCLOSURE OF INTERESTS

A. Directors and chief executive

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under the SFO), or (b) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows :

| Name of Director | Number or attributable number of Shares held | Nature of interests | Approximate percentage or attributable percentage of shareholdings (%) |
|--------------------------------|--|------------------------|---|
| Tsui Tai Hoi Raymond (Note) | 416,769,983 | Corporate | 35.97 |

Note: These 416,769,983 Shares were owned by Achieve Century Limited. The issued share capital of Achieve Century Limited was owned as to approximately 53.87% by Tipmax Limited and as to approximately 46.13% by Star Wave Limited. Tipmax Limited is wholly owned by Mr. Tsui Tai Hoi Raymond. Accordingly, Mr. Tsui Tai Hoi Raymond was deemed to be interested in the 416,769,983 Shares owned by Achieve Century Limited.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under the SFO), or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

B. Substantial Shareholders

So far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, the following parties, other than the Directors and the chief executive of the Company, had, or were deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

(a) The Company

| Name of Shareholders | Number of Shares or attributable number of Shares held | Nature of interests | Approximate percentage or attributable percentage of shareholdings (%) |
|---|--|-----------------------|--|
| Achieve Century Limited (Note 1) | 416,769,983 | Beneficial | 35.97 |
| Tipmax Limited (Note 1) | 416,769,983 | Corporate | 35.97 |
| Star Wave Limited (Note 1) | 416,769,983 | Corporate | 35.97 |
| Key Engineering | 287,000,000 | Beneficial | 24.77 |
| Hoang Tan Van George (Notes 1 & 2) | 416,769,983 8,000,000 | Corporate Personal | 35.97 0.69 |
| Top Accurate Limited (Note 3) | 59,229,995 | Beneficial | 5.11 |
| Ma She Shing, Albert (Note 3) | 59,229,995 | Corporate | 5.11 |
| Genesis Southstar Ltd. (Note 4) | 60,000,000 | Beneficial | 5.18 |
| Littauer Technologies Co., Ltd. (Note 4) | 60,000,000 | Corporate | 5.18 |

| Name of Shareholders | Number of Shares or attributable number of Shares held | Nature of interests | Approximate percentage or attributable percentage of shareholdings (%) |
|------------------------------|--|---------------------|--|
| PML Associates Ltd. (Note 4) | 60,000,000 | Corporate | 5.18 |
| Chan Sio Peng (Note 4) | 60,000,000 | Corporate | 5.18 |

Notes:

1. These 416,769,983 Shares were owned by Achieve Century Limited. The issued share capital of Achieve Century Limited was owned as to approximately 53.87% by Tipmax Limited and as to approximately 46.13% by Star Wave Limited.

Tipmax Limited was wholly owned by Mr. Tsui Tai Hoi Raymond, an executive Director. The issued share capital of Star Wave Limited was owned as to approximately 40.55% by Mr. Hoang Tan Van George.

Accordingly, Tipmax Limited, Star Wave Limited, Mr. Tsui Tai Hoi Raymond and Mr. Hoang Tan Van George were deemed to be interested in the 416,769,983 Shares owned by Achieve Century Limited. The interest of Mr. Tsui Tai Hoi, Raymond is disclosed under the paragraph headed "Directors and chief executive" above.

2. Mr. Hoang Tan Van George was granted 8,000,000 options under the pre-IPO share option scheme adopted by the Company on 20 April 2002 entitling him to subscribe for 8,000,000 Shares at an exercise price of HK\$ 0.14 per Share in three equal tranches commencing from 10 November 2002, 10 May 2003 and 10 May 2004, respectively.
3. The entire issued share capital of Top Accurate Limited was owned by Mr. Ma She Shing, Albert. Accordingly, Mr. Ma She Shing, Albert was deemed to be interested in the 59,229,995 Shares owned by Top Accurate Limited.
4. These 60,000,000 Shares were owned by Genesis Southstar Ltd.. The issued share capital of Genesis Southstar Ltd. was owned as to approximately 62.32% by PML Associates Ltd. and as to approximately 37.68% by Littauer Technologies Co., Ltd.. The entire issued share capital of PML Associates Ltd. was owned by Mr. Chan Sio Peng.

Accordingly, each of PML Associates Ltd., Littauer Technologies Co., Ltd. and Mr. Chan Sio Peng was deemed to be interested in the 60,000,000 Shares owned by Genesis Southstar Ltd..

(b) Allbright Holdings Limited

| Name of Shareholders | Number of Shares or attributable number of Shares held | Nature of interests | Approximate percentage or attributable percentage of shareholdings (%) |
|--|--|------------------------|---|
| Kindness Biological Development Limited <i>(Note)</i> | 4 shares of US\$1.00 | Beneficial | 40.00 |
| Master Bless Limited <i>(Note)</i> | 4 shares of US\$1.00 | Corporate | 40.00 |
| Fortune Sun Development Limited <i>(Note)</i> | 4 shares of US\$1.00 | Corporate | 40.00 |
| Mak Hing Hei Jackie <i>(Note)</i> | 4 shares of US\$1.00 | Corporate | 40.00 |
| Mok Shiu Chuen <i>(Note)</i> | 4 shares of US\$1.00 | Corporate | 40.00 |

Note: Kindness Biological Development Limited was interested in four shares of US\$ 1.00 each in the share capital of Allbright Holdings Limited, a 60% owned subsidiary of the Company. The issued share capital of Kindness Biological Development Limited was owned as to 92.50% by Master Bless Limited, which issued share capital was in turn owned as to 35.50% by Fortune Sun Development Limited and as to 35.50% by Mok Shiu Chuen. The entire issued share capital of Fortune Sun Development Limited was owned by Mak Hing Hei Jackie.

Accordingly, each of Master Bless Limited, Fortune Sun Development Limited, Mak Hing Hei Jackie and Mok Shiu Chuen was deemed to be interested in the four shares of Allbright Holdings Limited owned by Kindness Biological Development Limited.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other persons, other than the Directors and the chief executive of the Company whose interests are set out in the paragraph headed “Directors and chief executive” above, had or were deemed to have, interests or short positions in Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any member of the Group.

3. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware of, none of the Directors or the management Shareholders (as defined in the GEM Listing Rules) or their respective associates had any interest in a business which competes or may compete with the business of the Group or any other conflicts of interests with the Group.

4. SPONSOR'S INTERESTS

As at the Latest Practicable Date, neither Hantec Capital Limited (the "Sponsor") nor its directors, employees or associates (as referred to in Rule 6.35 of the GEM Listing Rules) had any interest in the securities of the Company or any member of the Group, or any right to subscribe for or to nominate persons to subscribe for any securities of the Company or any member of the Group.

Pursuant to the sponsorship agreement dated 26 April 2002 and entered into between the Company and the Sponsor, the Sponsor has received, and will continue to receive, fees for acting as the Company's retained sponsor until 31 March 2005.

5. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and, as far as the Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service agreement with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

7. GENERAL

- (a) The registered office of the Company is at Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681 GT, George Town, Grand Cayman, Cayman Islands, British West Indies.
- (b) The head office and principal place of business of the Company in Hong Kong is at 10th Floor, Luk Kwok Centre, 72 Gloucester Road, Wanchai, Hong Kong.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tengis Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
- (d) The compliance officer of the Company is Mr. Tsui Tai Hoi Raymond. Mr Tsui is also the managing Director. He obtained a bachelor's degree of business administration from City University of New York, the United States of America.

- (e) The qualified accountant and company secretary of the Company is Mr. Wilfred Wong. Mr. Wong is a fellow of the Association of Chartered Certified Accountants and an associate of Hong Kong Society of Accountants. He holds a bachelor of arts degree from The University of Hong Kong.
- (f) The Company has established an audit committee on 2 November 2001. The primary duties of the audit committee are, among other matters (i) to review the annual reports and accounts, half-year reports and quarterly reports and provide advice and comments thereon to the board of Directors; and (ii) to review and supervise the financial reporting process and internal control system of the Group.

The audit committee has two members comprising the two independent non-executive Directors, further details of whom are set out below:

Hsu Shiu Foo William, aged 53, was appointed as an independent non-executive Director in November 2001. He is a lecturer at Brigham Young University, Hawaii. He has over 10 years of global experience in tourism and related fields in various international corporations. He holds a bachelor of arts degree from Brigham Young University, Hawaii and a master's degree in professional studies (hotel administration) from Cornell University, New York.

Yu Chai Mei, aged 48, was appointed as an independent non-executive Director in November 2001. He is the Professor of the Department of Chemistry and the Director of Studies in Environmental Science Programme of The Chinese University of Hong Kong. He obtained his doctoral degree in Chemistry from the University of Idaho, the United States of America.